

TESTIMONY

Bill 12 (2006) January 26, 2006

Charles A. Prentiss

Henry40ford@hotmail.com

519 Wanaao Road, Kailua, HI 96734

263-6121

RECEIVED  
JAN 23 2 40 PM '06  
CITY CLERK  
HONOLULU, HAWAII

Bill 12 (2006) allows the Director to increase the initial tax rate by the Consumer Price Index (CPI). Bill 12 will not be necessary if the much superior Bill 81 is adopted since they both increase taxes by the CPI. If you pass both, you will be adding the CPI twice. Bill 81, of course, addresses the "assessments" which are the real problem.

If Bill 81 is adopted **with an amendment** specifying that the starting base assessments will be last year's, not the new 2005 "bubble" assessments, you will have solved the problem. An increase in **assessments** based upon the CPI is reasonable.

Misc. Com. No. 0192